

determining whether a bid is responsive.

*Minor modification or improvement* means a project where the cost is less than \$50,000, exclusive of the cost of owner furnished materials.

*Multiparty lump sum quotations* means the procurement of goods or services on a lump sum basis, based on the lowest evaluated offering, when three or more offers are received. (See § 1726.205).

*Multiparty negotiation* means the procurement procedure where three or more bids are received and provides for negotiations between the contracting committee and each bidder to determine the bid which is in the borrower's best interest (see § 1726.203).

*Multiparty unit price quotations* means the procurement of goods or services on a unit price basis, based on the lowest evaluated offering, when three or more offers are received (See § 1726.204).

*Net utility plant (NUP)* means Part C, Line 5 of RUS Form 7 for distribution borrowers or Section B, Line 5 of RUS Form 12a for power supply borrowers for the immediately preceding calendar year.

*Procurement method* means a procedure, including, but not limited to, those in subpart G of this part, that a borrower uses to obtain goods and services.

*Owner furnished materials* means materials or equipment or both supplied by the borrower for installation by the contractor.

*Responsive bid* means a bid with no exceptions or non-minor errors or irregularities on any technical requirement or in the contract terms and conditions.

*RUS approval* means written approval by the Administrator or a representative with delegated authority. RUS approval must be in writing, except in emergency situations where RUS approval may be given over the telephone followed by a confirming letter.

*Unit prices* means individual prices for specific construction units defined in accordance with RUS approved units specified in RUS standard contract forms.

#### **§ 1726.15 "Buy American".**

The borrower must ensure that all materials and equipment financed with loans made or guaranteed by RUS complies with the "Buy American" provisions of the Rural Electrification Act of 1938 (7 U.S.C. 903 note), as amended by the North American Free Trade Agreement Implementation Act (107 Stat 2129). When a "Buy American" certificate is required by this part, this must be on RUS Form 213.

#### **§ 1726.16 Debarment and suspension.**

Borrowers are required to comply with certain requirements on debarment and suspension in connection with procurement activities as set forth in part 3017 of this title, particularly with respect to lower tier transactions, e.g., procurement contracts for goods or services.

#### **§ 1726.17 Restrictions on lobbying.**

Borrowers are required to comply with certain restrictions and requirements in connection with procurement activities as set forth in part 3018 of this title.

#### **§ 1726.18 Preloan contracting.**

Borrowers must consult with RUS prior to entering into any contract for material, equipment, or construction if a construction work plan, general funds, loan or loan guarantee for the proposed work has not been approved. While the RUS staff will work with the borrower in such circumstances, nothing contained in this part is to be construed as authorizing borrowers to enter into any contract before the availability of funds has been ascertained by the borrower and all the requirements of part 1794 of this chapter, Environmental Policies and Procedures for Electric and Telephone Borrowers, have been fulfilled.

#### **§ 1726.19 Use of competitive procurement.**

RUS borrowers' procurement is not subject to the provisions of the Federal Acquisition Regulation (48 CFR chapter 1); however, since borrowers receive the benefit of Federal financial assistance borrowers must use competitive procurement to the greatest extent